

This request is for the revision of the Office of Management and Budget (OMB) approval of the reporting and recordkeeping requirement contained in 34 CFR sections 674.39, 674.41, 674.42, 674.43, 674.45, 674.47, 674.48, and 674.49 under the control number 1845-0023. The information collections in these regulations are necessary to determine Federal Perkins Loan Program borrower eligibility to receive program benefits and to prevent fraud and abuse of program funds.

Section 674.39 – Loan rehabilitation.

This section establishes that participating institutions are required to have a loan rehabilitation program for the purposes of rehabilitating defaulted loans and outlines the requirements of the rehabilitation program.

519,466 X .016666 hours = 8,657 hours

Section 674.41 – Due diligence – general requirements.

This section establishes that institutions are required to inform the borrower on a timely basis and exercise due diligence in the collection of Perkins loans. Additionally, institutions are required to coordinate among the various campus administrative offices to share information as it relates to a borrower and the billing and collection process.

2,215,450 X .016666 hours = 36,923 hours

Section 674.42 – Contact with the borrower.

This section establishes that institutions are required to provide borrowers with information about the repayment of the loan, a description of charges, an explanation of loan consolidation or other refinancing as well as other information about the amount of the repayment, the frequency, and to whom the payments must be made. Generally, this information is provided to the borrowers as a part of the required exit interview process. The institution is required to maintain information substantiating the institution's compliance with these due diligence regulations.

2,215,450 X .016666 hours = 36,923 hours

Section 674.43 – Billing procedures.

This section establishes that institutions are required to notify borrowers about the amount of repayment due, to remind borrowers when their payment is overdue, and to demand payment of overdue amounts.

2,734,916 X .016666 hours = 45,580 hours

Section 674.45 – Collection procedures.

This section establishes that borrowers who do not respond satisfactorily to demand notices for repayment of defaulted loans must be referred for intensive collection efforts. Those efforts include reporting defaults to a national credit bureau, either the use of institutional resources to collect or the use of a collection agency, and ultimately, litigation to resolve the debt.

259,733 X .016666 hours = 4,329 hours

Section 674.47 – Costs chargeable to the Fund.

This section establishes detail about the billing costs, late charge costs, other collections costs, as well as write-offs and waivers of collection costs and the limitations of those costs that can be charged to the Perkins fund.

259,733 X .016666 hours = 4,329 hours

TOTALS

Responses 8,204,748

Respondents 8,204,748

Burden Hours 136,741